



Choice Training 3-3: Auditor Authorization Form

1. Auditor Authorization Form

1.1 Training 3-3:



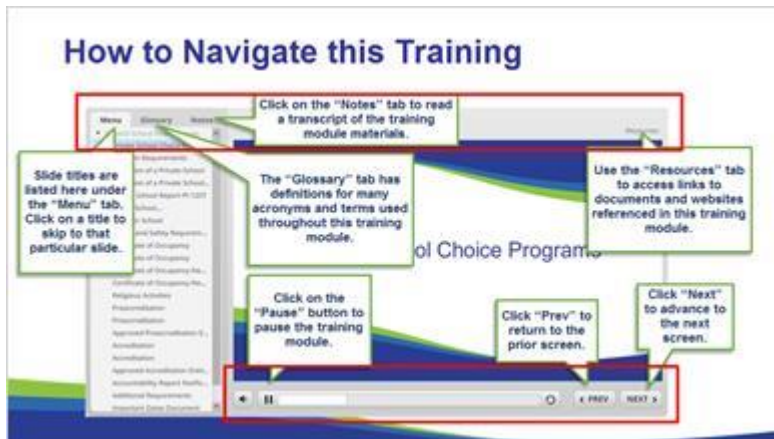
Notes:

Welcome to the Wisconsin Department of Public Instruction's training module on the Private School Choice Programs. We will refer to the Private School Choice Programs as "Choice" or "Choice program" throughout this training. The Choice program is governed by Wis. Stat. §§ 119.23 and 118.60, as well as Wis. Admin. Codes ch. PI 35 and 48. Provisions of this training module are subject to statutory and rule changes.

This training module will discuss the Auditor Authorization Form.



3-3.2 How to Navigate this Training Module



Notes:

Before we start, here are some tips and tools you may wish to use when viewing this training.

When listening to this training please note the buttons at the top of the training screen. Titles to all of the slides in this training are listed under the “Menu” tab on the top left of the training screen. You may watch the training in its entirety, or you may skip to a specific slide by clicking on the title of a particular slide.

Acronyms and terms that are used throughout this training are defined under the “Glossary” tab on the upper left side of the training screen. If you have any questions about a particular acronym or term that is used in this training, click on the “Glossary” tab to read the definition of that acronym or term.

The “Notes” tab has a transcript of the training materials as they are presented. If you wish to read along with the training, please click the “Notes” tab on the upper left side of the training screen.

We have also posted resources related to this training which can be found under the “Resources” link on the upper right hand side of the training screen.

Next please note the buttons at the bottom of the training screen. If you want to pause on or during a specific slide, please hit the “Pause” button. Clicking the “Prev” button will allow you to return to the previous slide and clicking the “Next” button will allow you to advance to the next slide, if you wish to advance sooner than the auto-timing.

3-3.3 Required Audits & Agreed Upon Procedures Reports



Notes:

DPI requires that the school provide agreed upon procedure reports and an audit at different times of the year. They are the:

1. September Enrollment Audit due December 15.
2. Fiscal and Internal Control Practices Report due December 15.
3. January Enrollment Audit due May 1 for schools participating in the Wisconsin and Racine Parental Choice Program and due June 30th for schools only participating in the Milwaukee Parental Choice Program.
4. Financial Audit due October 15.

The school must hire an auditor to complete these reports.

DPI has a list of auditors who currently complete Choice audits and who have completed training. Schools may choose an auditor from the list or may engage the services of an interested auditor who complies with the DPI auditor requirements. The list is posted on the Choice Auditor webpage. A link to this webpage is included in the Resources in the top right corner of the training screen.

3-3.4 Auditor License Requirements

Auditor License Requirements

- Wis. Admin Codes §§ PI 35.12 (6) and PI 48.12 (6) specify the license requirements.
- Auditing Firm: The auditing firm that is engaged by a school to complete the audits and agreed upon procedure reports shall be licensed as a certified public accounting firm by the accounting examining board.
- Individual Auditor: The individual auditor who signs the engagement letter for the audits and agreed upon procedure reports shall be a licensed certified public accountant by the accounting examining board.

Notes:

Selecting an auditor requires the school to verify that the firm and individual auditor on the engagement letter are licensed by the accounting examining board. This is a requirement in Wisconsin Administrative Codes §§ PI 35.12 (6) and PI 48.12 (6). Additionally, the DPI must not have barred the auditor.

3-3.5 Auditor License Requirements (cont)

Auditor License Requirements (cont)

Notes:



To verify the firm and the individual have the required license, the school will need to go to the Wisconsin Department of Safety and Professional Services website. The school must use the “Health/Business Individual Credential/License Search” to determine if the individual auditor has a license and the “Organizational Credentials/Licenses” search to determine if the firm has a license.

A link to the Wisconsin Department of Safety and Professional Services website is included in Resources located at the top right corner of this training.

3-3.6 Auditing Firm License Look Up

Notes:

To determine if an auditing firm has a license, the school will need to click on “Organizational Credentials/Licenses” link on the Wisconsin Department of Safety and Professional Services website. The school will need to enter the auditing firm’s name under the “Organization Name” section and select “Accounting Firm” from the “Professions” drop down menu. Once these boxes are filled in, the school will need to click on “Search”. The school must ensure the license is current based on the expiration date.



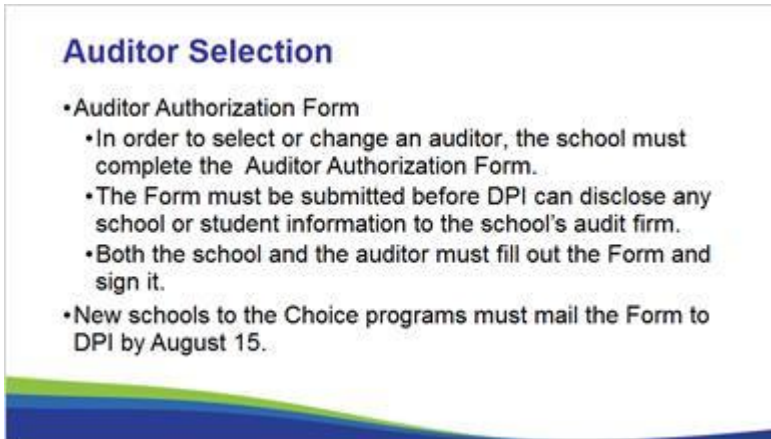
3-3.7 Individual Auditor License Look Up

Notes:

To determine if a specific auditor is a licensed certified public accountant, the school will need to click on “Health/Business Individual Credential/License Search” link on the Wisconsin Department of Safety and Professional Services website. The school will need to enter the first and last name of the individual auditor and select “Certified Public Accountant” from the “Professions” drop down menu. Once these boxes are filled in, the school will need to click on “Search”. The school must ensure the license is current based on the expiration date.

Once the school has confirmed the individual auditor and the auditing firm’s licenses are current, it can proceed with the auditor selection process.

3-3.8 Auditor Selection



Auditor Selection

- Auditor Authorization Form
 - In order to select or change an auditor, the school must complete the Auditor Authorization Form.
 - The Form must be submitted before DPI can disclose any school or student information to the school's audit firm.
 - Both the school and the auditor must fill out the Form and sign it.
- New schools to the Choice programs must mail the Form to DPI by August 15.

Notes:

The Auditor Authorization Form needs to be filled out with the selected auditor.

The purpose of the Form is to authorize the auditor to receive school information and gain access to the Online Application System, or OAS, so the auditor can perform the required audits.

Schools that are new to the Choice program should submit the Form to the DPI by August 15. A continuing school only needs to submit a new Auditor Authorization Form if it would like to change its auditor.

The Auditor Authorization Form is on the Choice Auditor webpage. A link to the Choice Auditor webpage is included in the Resources located at the top right corner of this training.



3-3.9 Untitled Slide

Notes:

Section I of the Auditor Authorization Form needs to be filled out by the school.

Section II of the Form needs to be filled out by the auditor accepting the engagement.

Section III of the Form needs to be filled out by the owner or head of the school's governing board. Make sure the title of the authorized individual is identified in Section III by checking the appropriate box for Head of the Governing Board for a nonprofit school or the Owner if the school is a for profit.

The Form needs to be signed by the school and auditor, as well as the head of the school's governing board or owner. Once the Form has all the required signatures, the school must mail in the original Form to the address listed in the upper right hand corner of the Form. If the Form is emailed or faxed, DPI cannot authorize the auditor access to the school's information.

3-3.10 Independence Requirements

Independence Requirements

- No compilation or review services may be provided by an the school's auditor unless the school makes available a trial balance, based on the school's general ledger established as part of financial accounting system, for the compilation or review services.

Notes:

Wisconsin law requires auditors of Choice schools to be independent of the schools they are auditing.

A requirement for compilation services is that the school must provide the trial balance so the auditor can create the financial statements. An example of this would be when the auditor compiles the financial statements for the financial audit, which is required for all schools participating in the Choice program.

3-3.11 Independence Requirements (cont)

Independence Requirements (cont)

- An auditor that performs the audit or compilation or review services may not provide payroll services or general accounting services to the schools they audit.

Notes:

The selected auditor may not provide accounting or payroll services to the school they will be auditing. General accounting services would include posting, or prepare for posting, original or source document transactions such as cash receipts and disbursements, invoices or billings for services, billings from vendors and suppliers, payroll activity and other typical reoccurring financial transactions to the school's general ledger.

3-3.12 Independence Requirements (cont)

Independence Requirements (cont)

- If the school posts adjusting, correcting, and closing journal entries proposed by the auditor to the private school's general ledger the following are required:
 - Written approval of the private school's management, and
 - The auditor's working papers must document evidence of management approval for all such entries.



Notes:

The school must have written approval from the school's management to post transactions suggested by the auditor.

If there are several adjusting entries, the school can provide written approval for them all together instead of individually. The auditor must keep the documentation of the approvals in his/her work papers.

3-3.13 Independence Requirements (cont)

Independence Requirements (cont)

- If the auditor assists in the preparation of the budget, he/she must meet the following requirements :
 - Identify assistance was provided as required by the department, and
 - Comply with Wisconsin Administrative Code § Accy 1.201 (1) (e).
- Any services provided by the auditor must be specifically identified in the engagement letter detailing the Choice program audit services to be provided.

Notes:

If the auditor prepares the budget, the auditor must indicate his/her name in Section III on the cover page of the budget. The auditor must be listed in this section if he/she assists with any part of the budget preparation. If the auditor assists with the budget, he/she must also comply with Wisconsin Administrative Code § Accy 1.201 (1) (e), which requires the auditor to meet certain requirements since forecasts are used in the budget.

The school will be required to sign an engagement letter with the auditor identifying the audit and agreed upon procedures the auditor will complete for the school and the amount the auditor will charge the school. The engagement letter must also specify any other services that will be provided by the auditor.



Notes:

If you have any questions about the information discussed in this training, please see the Private School Choice Programs homepage. The left menu bar of the Private School Choice Programs homepage has resources for both schools and parents.

Choice schools may also contact the Choice team at privateschoolchoice@dpi.wi.gov, or call the toll-free number at 1-888-245-2732, extension 3 with questions.